

Title 2. California Public Employees' Retirement System

NOTICE OF PROPOSED REGULATORY ACTION

PROPOSED REGULATORY ACTION BY CALPERS

AMEND SECTIONS 599.502 AND 599.506 OF TITLE 2 OF THE CALIFORNIA CODE OF REGULATIONS

Amend Section 599.502(f)(2), "Change of Enrollment", as follows:

{Sections (a)-(e) Remain Unchanged}

(f) Change of Enrollment.

(1)(A) An enrolled employee or annuitant may, prior to, at the time of, or within 60 calendar days after acquiring his or her first eligible family member required to be enrolled, change his or her enrollment to include all family members required to be enrolled.

(B) An enrolled employee or annuitant may change his or her enrollment to include all eligible family members required to be enrolled who are acceptable for enrollment under underwriting standards of the carrier if at the time of such change he or she presents a certification of such acceptability from the carrier of the plan in which he or she is enrolled or if such change of enrollment is made during an open enrollment period.

(C) A family member who is not enrolled because of other group coverage or because such person is a spouse not living in the employee's or annuitant's household may not thereafter be enrolled as a family member except during an open enrollment period or pursuant to the carrier's certification of acceptability under its underwriting standards.

(D) A family member who is a child who has attained the age of 18 and who is not enrolled may not be enrolled except upon return from military service as provided in section 599.502(f)(2), or pursuant to the carrier's certification of acceptability under underwriting standards, or during an open enrollment period.

(E) Notwithstanding any other provision of this subchapter, an employee or annuitant enrolled for self only may enroll a newborn or adopted child provided application for enrollment is received within 60 calendar days of the date of birth or the date physical custody was obtained. The coverage of a newborn or adopted child of an employee or annuitant enrolled for self only begins on the date of birth or the date physical custody is obtained and ends on the last day of that month unless an application to enroll that child is received.

(2) An employee or annuitant may at any time change his or her enrollment from self and family to self alone, or delete an eligible family member who is a child who has attained the age of 18 or enters military service. An employee or annuitant may decrease "family member" enrollment from self and two or more to self and one family member on or after the day on which the last family member in excess of one:

(A) ceases to be a family member;

(B) becomes enrolled in another basic group plan; or

(C) in case of a spouse, ceases to live in his or her household or enters military service.

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A spouse whose enrollment is terminated on the basis of ceasing to live in the household may not be enrolled thereafter except during an open enrollment period or pursuant to the carrier's certification of acceptability under its underwriting standards. A family member who is a spouse or a child who was deleted from an employee's or annuitant's enrollment upon entering military service or was in military service at the time of initial enrollment or at the time he or she became a family member may be enrolled upon return from military service.

When a mandatory change of enrollment results in a retroactive cancellation or deletion of enrollment and creates a difference in premium based on the date a family member became ineligible for coverage and the date an employee or annuitant changed his or her enrollment to delete the ineligible family member, the employer and employee may receive a refund. The amount of the refund shall not exceed those excess premiums paid for a period of up to six months prior to the date on which the action is processed and recorded, pursuant to the employee's or annuitant's request for retroactive cancellation or deletion of the ineligible family member.

{Sections (f)(3)-(i) Remain Unchanged}

NOTE: Authority cited: Sections 22794, 22796, 22860, 22846, 22830, and 22803, Government Code.

Reference: Sections 22775(a) and 22760-22848, Government Code.

~~NOTE: Authority cited: Sections 22773, 22775, 22775.5, 22777, 22810, and 22861, Government Code.~~

~~Reference: Sections 22754(f) and 22810-22821, Government Code.~~

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Amend Section 599.506(c)(1), "Termination of Enrollment", as follows:

{Sections (a) and (b) Remain Unchanged}

(c) The coverage of a family member under an employee's or annuitant's enrollment ceases at midnight of the earliest of the following dates, unless he or she is eligible to enroll as an employee, in which case, if he or she enrolls within 60 calendar days after said date, his or her enrollment continues under the plan in which he or she enrolls:

(1) The last day of the month in which he or she ceases to be a family member, or to be eligible for enrollment as a family member. The enrollment of an employee or annuitant shall not be changed by such termination of coverage, and his or her contribution shall continue unchanged until he or she changes enrollment in the manner and at the time provided under Section 599.502(f)(2) or until an administrative document is processed. However, payment by the carrier of any difference between the premium paid between the date of termination of coverage and the effective date of the change in enrollment, and that which would have been paid had the change in enrollment been effective on the date of termination of coverage, shall not exceed those excess premiums paid for a period of up to six months prior to the date on which the action is processed and recorded, pursuant to the employee's or annuitant's request for retroactive cancellation or deletion of the ineligible family member. Payment shall be made to the employer or the enrolled employee or annuitant as their interests appear and in such manner as may be directed by the Executive Officer of the Board.

{Sections (c)(2) - (e) Remain Unchanged}

NOTE: Authority cited: Sections 22794, 22796 and 22846, Government Code.
Reference: Section 22846, Government Code.

~~NOTE: Authority cited: Sections 22773, 22775 and 22777, Government Code.
Reference: Section 22777, Government Code.~~